

MAYES TESTING ENGINEERS, INC.

November 4, 2004

Mr. Hertzal Hazan
Ariel Development
3100 Airport Way South
Seattle, WA 98134

Re: Testing and Inspection Services
Rainer Commons
Mayes Testing Engineers Proposal No. 24384

Everett Office
917-134th Street SW
Suite A-1
Everett, WA 98204
ph 425.742.9360
fax 425.745.1737

Tacoma Office
10029 S. Tacoma Way
Suite E-2
Tacoma, WA 98499
ph 253.584.3720
fax 253.584.3707

Portland Office
7911 NE 33rd Drive
Suite 190
Portland, OR 97211
ph 503.281.7515
fax 503.281.7579

Dear Mr. Hazan,

We are pleased to provide you with our proposal for testing and inspection services for the above referenced project. This proposal is based on our review of the structural drawings provided on disk. Final costs may vary up or down depending on the contractor's scheduling of the work. All services will be billed at reduced rates in accordance with the attached January 1999 Fee Schedule and General Conditions. Please note these rates represent a 20% discount from our current rates.

We understand the scope of work to include testing and inspection of soil density, reinforced concrete, shotcrete, baseplate grout, epoxy grouted anchors, masonry, structural steel fabrication and erection, and roof diaphragm nailing. We assume structural steel fabrication will be at a local Puget Sound area shop.

Mayes Testing Engineers, Inc. is a full-service testing and inspection agency. We are fully certified and perform all tests in accordance with ASTM and UBC standards. We have the largest staff of WABO registered inspectors in the state to support your project. Washington State Professional Engineers directly supervise all inspection activities. As an integral part of the project team, we work with our clients to provide realistic testing and inspection budgets with **no hidden charges**. Our clients are not charged for sample pick-up, mileage or secretarial services. Our clients will only be invoiced for actual work performed including project management. A four-hour minimum charge per call applies to all inspections and time will be charged portal-to-portal from our Everett office. A premium rate of 1.5 times the regular rate will be charged for all work outside of normal working hours or in excess of 8 hours per day and on Saturdays, Sundays and Legal Holidays. Payment is net 30 days from date on invoice.

We trust that this provides you with the information you require. If you have any questions or if we may be of further assistance, please do not hesitate to call. If you find this proposal acceptable, please sign and return one copy to our office. We look forward to your favorable response.

Respectfully Submitted,
MAYES TESTING ENGINEERS, INC.


Michael J. Mayes, P.E.
President

Accepted By: _____
Title: _____
Date: _____

Attachments: Cost Estimate
January 1999 Fee Schedule and General Conditions

RCLLC 0004421

**Rainer Commons
Testing and Inspection Services
MTE Cost Estimate No. 24384**

Item	Estimated No. of Units	Unit Price	Extended Total
Inspections			
(b) (4)			
Soil Density Testing (<i>includes nuclear densometer</i>)			
Estimate 4 inspections at 4 hours per inspection			
Reinforced Concrete Inspection			
Foundations: Estimate 3 inspections at 4 hours per inspection			
Walls: Estimate 1 inspections at 6 hours per inspection			
Slabs on grade: Estimate 2 inspections at 4 hours per inspection			
Slabs on deck: Estimate 10 inspections at 6 hours per inspection			
Miscellaneous: Estimate 3 inspections at 4 hours per inspection			
Shotcrete Inspection			
Estimate 15 inspections at 8 hours per inspection			
Baseplate Grout Inspection			
Estimate 2 inspections at 4 hours per inspection			
Epoxy Grouted Anchor Inspection			
Estimate 20 inspections at 4 hours per inspection			
Masonry Inspection (<i>Periodic</i>)			
Estimate 15 inspections at 4 hours per inspection			
Structural Steel Inspection			
Fabrication Estimate 3 inspections at 4 hours per inspection			
Erection: Estimate 15 inspections at 4 hours per inspection			
Lateral Wood Frame Inspection			
Diaphragm: Estimate 4 inspections at 4 hours per inspection			
Project Management (<i>Includes meetings, site visits, report review, mix design review, and misc. consultation</i>)			

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A four-hour minimum charge per call applies to all inspections. A premium rate of 1.5 times the regular will be charged for all work outside of normal working hours in excess of 8 hours per day and on Saturdays, Sundays and Legal Holidays. Payment is net 30 days.

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MAYES TESTING ENGINEERS, INC.
FEE SCHEDULE AND GENERAL CONDITIONS
Effective January 1, 1999

Engineering Services

Principal Engineer
Staff Engineer
Engineering Technician
Project Manager

Special Testing Services

Brick Shear Testing (*two man crew*)
Condition Survey
Load Testing
Floor Flatness Testing
Pachometer Testing
Impact Echo Testing

Inspection Services

Concrete, Masonry, Post Tension, Batch Plant, Reinforcing Steel, Epoxy Anchors,
Shotcrete, Waterproofing, Fireproofing, Roofing or Wood Framing Inspection
Structural Steel Inspection
Intumescent Paint Inspection
Soil Density Testing (*include nuclear densometer*)
Asphalt Density Testing (*include nuclear densometer*)
Asphalt Coring
Laboratory Technician
Senior Resident Inspector

Non-Destructive Testing

Ultrasonic Testing
Magnetic Particle or Dye Penetrant Testing
NDE Level III Consultation

Concrete and Aggregate Testing

Concrete Compressive Strength Cylinder Test (*includes curing, breaking and report*)
Sieve Analysis Test (*dry only*)
Sieve Analysis Test (*includes particles finer than #200*)
Organic Impurities Test
Specific Gravities Course Aggregate Test
Specific Gravities Fine Aggregate Test
Unit Weight Test
Mix Design: 1 Point Verification
3 Point Water Cement Curve
Concrete Core Test (*includes coring, trimming and testing*)
Trimming Cores
Concrete Flexural Strength Beam Test
Lightweight Pieces in Aggregate Test
Clay Lumps and Friable Particles Test
Concrete Shrinkage Test (*ASTM C157 - set of 3*)
Modulus of Elasticity Test
Splitting Tensile Test
Air Dry Unit Weight Test
Degradation Test
LA Abrasion Test
Sodium Sulfate Soundness Test
Shotcrete Panel Test
Ethylene Glycol Test
Moisture Emission Test Kits

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Masonry Testing

Masonry Drying Shrinkage Test (*set of 3*)
Masonry Absorption, Unit Wt. And Moisture Content Test
Masonry Prism Test (*grouted or ungrouted*)
Masonry Compression Test
Masonry Grout Compressive Strength Test
Masonry Mortar Compressive Strength Test
Masonry Efflorescence Test (*set of 5*)
Brick Compression Test
Brick Efflorescence Test (*set of 5*)
Brick Absorption Test (*24 hour soak*)
Brick Absorption Test (*5 hour boil*)
Retaining Wall Unit Compression Test

Soils Testing

Soil Moisture Density Relationship Test (*proctor*)
Atterberg Limits Tests
 Liquid Limit Only Test
 Plastic Limit Only Test
Sand Equivalent Test
Soil Hydrometer Analysis
Soil Specific Gravity Test
Soil Moisture Content Test (*natural*)
California Bearing Ratio Test (*CBR - with proctor*)
R-Value Test
Soil Relative Density Test
Organic Matter Analysis (*loss on ignition by weight*)

Physical Testing

#3 - #9 Reinforcing Steel Tensile Test
#10 - #11 Reinforcing Steel Tensile Test
Reduced Section Tensile Coupons Test
Machining Tensile Test
Stressing Strand Tensile Test (*breaking strength only*)
Macroetch Test (*evaluation only*)
Macroetch Test (*sample preparation*)
Fireproofing Density Test

Asphalt Testing

Asphalt Mix Design Test
Asphalt Marshall Set Test (*flow, stability, voids*)
Asphalt Extraction & Gradation Test
Asphalt Stripping Test
Asphalt Fractured Face Count Test
Asphalt Core Bit Charge
Asphalt Core Density Test
Asphalt Rice Density Test

Travel

Mileage (*charged only outside our regular service area*)
Subsistence (*lower 49 states*)
Reimbursable Expenses (*commercial travel, rentals, consumables, etc.*)
Subconsultants

(b) (4)

GENERAL CONDITIONS

- 1.) For Mayes Testing Engineers, Inc. (MTE) inspections, a four-hour minimum charge per call applies to all inspections and time will be charged portal-to-portal from our local branch office. A premium rate of 1.5 times the regular rate will be charged for all work in excess of 8 hours per day and on Saturdays, Sundays and Legal Holidays.
- 2.) The client understands that no final letter of compliance will be issued to the building department for the project until all outstanding invoices have been paid.
- 3.) Unless otherwise stated in writing, Client assumes sole responsibility for determining whether the quantity and the nature of work ordered by Client is adequate and sufficient for Client's intended purpose. Client shall communicate these General Conditions to each and every third party to whom Client transmits any part of MTE's work. MTE shall have no duty or obligation to any third party greater than that set forth in MTE's proposal, Client's acceptance thereof and these General Conditions. The ordering of work from MTE shall constitute acceptance of the terms of MTE's proposal and these General Conditions.
- 4.) Client shall cause all tests and inspections of the site, materials and work performed by MTE or others to be timely and properly performed in accordance with the plans, specifications and contract documents, and MTE's recommendations. No claims for loss, damage or injury shall be brought against MTE by Client or any third party unless all tests and inspections have been so performed and unless MTE's recommendations have been followed. Client agrees to indemnify, defend and hold MTE, its officers, employees and agents harmless from any and all claims, suits, losses, costs and expenses, including, but not limited to, court costs and reasonable attorney's fees in the event that all such tests and inspections are not so performed, or MTE's recommendations are not so followed except to the extent that such failure is the result of the negligence, willful or wanton act or omission of MTE, its officers, agents or employees.
- 5.) MTE's work shall not include determining, supervising or implementing the means, methods, techniques, sequences or procedures of construction. MTE shall not be responsible for evaluating, reporting or affecting job conditions concerning health, safety or welfare. MTE's work or failure to perform same shall not in any way excuse any contractor, subcontractor or supplier from performance of its work in accordance with the contract documents.
- 6.) Unless otherwise agreed, test specimens or samples will be disposed of immediately upon completion of the test.
- 7.) Invoices are due and payable upon receipt. Invoices not paid within 30 days of the date rendered will be assessed a finance charge of one and a half percent per month, or fraction thereof, for each month beyond 30 days past due. Invoices not paid within 60 days may result in MTE stopping work until such invoices rendered are paid in full. Client will be responsible for all expenses incurred in the collection of any unpaid balance, including collection agency fees, attorney's fees, and other legal fees.
- 8.) The extension of unit prices herein with quantities to establish a total estimated cost does not guarantee a maximum cost to complete the inspection and/or testing for a construction project. The quantities when given are estimates based on contract documents and schedules made available at the time of proposal preparation. Since schedule, performance, production and charges are directed and/or controlled by others, any quantity extensions must be considered as estimated and not a guarantee of maximum cost. The term "Cost Estimate" does not imply a maximum contract amount, but only the extension value of our unit prices at the time of proposal preparation.
- 9.) MTE is covered by General Liability Insurance for bodily injury and property damage arising directly from our negligent acts or omissions, with a combined limit of \$2,000,000 dollars aggregate. If Client requires additional coverage in excess of this amount, and if procurable, MTE will take out additional General Liability Insurance to the limits Client requires at client's expense.
- 10.) MTE will provide its professional services to Client, as defined by its scope of work with that degree of care and skill ordinarily exercised under similar circumstances by members of its profession. This representation is in lieu of any warranties or other representations, either expressed or implied. It is also understood and agreed that statements made in MTE reports are opinions based on engineering judgement, and should not be construed to be conclusive representations of fact. If conditions differ from those indicated in the reports come to Client's attention after receipt of the reports, it is recommended that Client contact MTE immediately to authorize further appropriate evaluation. MTE agrees to hold harmless and to indemnify Client on account of any damages due to bodily injury or property damage, or breach of contract, arising directly out of a negligent act or omission in the performance of professional services by MTE; provided, however, that any such liability, or liability to any third party arising out of MTE's performance of professional services, shall not exceed Fifty Thousand Dollars (\$50,000.00), or the total amount of the fee paid to MTE for its work performed pursuant to this agreement, whichever amount is greater. In the event Client is unable to accept this limitation, a surcharge of five percent (5%) of the total monthly invoice for services performed by MTE will be added to MTE's invoice to Client.
- 11.) Except to the extent specifically addressed in Paragraph 10, Client agrees to indemnify, defend and hold MTE, its officers, employees, agents and independent contractors harmless from any and all claims, suits, losses, costs and expenses, including but not limited to, court costs and reasonable attorneys fees arising or alleging to have arisen out of the performance of MTE's work. In the event that Client or Client's principal shall bring any suit, cause of action, claim or counterclaim against MTE to the extent that MTE shall prevail in such suit, cause of action, claim or counterclaim, the party initiating such action shall pay to MTE the costs and expenses incurred by MTE to answer and/or defend such suit, cause of action, claim or counterclaim, including reasonable attorneys fees, court costs, witness fees and other related expenses.

MAYES TESTING ENGINEERS, INC.**RCLLC 0004426**